

FILED

IN THE CIRCUIT COURT OF DAVIDSON COUNTY, TENNESSEE
FOR THE TWENTIETH JUDICIAL DISTRICT AT NASHVILLE

2007 DEC 19 AM 10:22

RICHARD H. HOOKER, CLERK

STATE OF TENNESSEE, *ex rel.*)
ROBERT E. COOPER, JR.,)
ATTORNEY GENERAL AND REPORTER,)

Petitioner,)

v.)

No. _____

ENERGY AUTOMATION SYSTEMS,)
INC., a Tennessee corporation, and)
ENERGY PROJECT ASSURANCE)
CORPORATION, a Tennessee corporation,)

Respondents.)

PETITION

The State of Tennessee, by and through Robert E. Cooper, Jr., the Attorney General and Reporter, (hereinafter "Attorney General"), at the request of Mary Clement, the Director of the Tennessee Division of Consumer Affairs of the Department of Commerce and Insurance, (hereinafter "Division") files this Petition pursuant to Tenn. Code Ann. § 47-18-107 of the Tennessee Consumer Protection Act of 1977 (hereinafter "the Act"), and respectfully shows the Court as follows:

1. The Division and the Attorney General, acting pursuant to the Act, have investigated certain acts and practices of Energy Automation Systems, Inc. and Energy Project Assurance Corporation of Hendersonville, Tennessee (hereinafter, "Respondents" or "EASI").

Upon completion of such investigation, the Division has determined that certain of Respondents' acts and practices, more specifically described in Paragraph 2 of this Petition, constitute unfair and/or deceptive acts or practices affecting the conduct of trade or commerce in the State of Tennessee in violation of Tenn. Code Ann. § 47-18-104(a), and further that such acts and practices constitute violations of Tenn. Code Ann. §§ 47-18-104(a), (b)(3), (b)(5), (b)(7), (b)(9), (b)(12) and (b)(27).

2. Based upon the investigation of Respondents, the State of Tennessee alleges upon information and belief the following:

- (A) Respondents are and have been in the business of marketing and selling dealerships from Hendersonville, Tennessee. The dealerships authorize dealers to sell and install Respondents' energy-saving products.
- (B) Respondents claim to specialize in a field of energy reduction systems utilized to reduce the amount of amperage that a given business will use under normal operating circumstances.
- (C) According to Respondents' materials, electricity travels much like sound waves, specifically it oscillates. EASI claims that by reducing the amount of oscillation to each individual electrical motor, air conditioning unit, computer, etc., they are able to offer the consumer more efficient electrical use that results in a reduction of that consumer's electric bill.
- (D) Respondents have invited potential investors from around the country to attend sales seminars held at its corporate headquarters in Hendersonville.
- (E) Since approximately 2000, Respondents made certain representations regarding their business and products to induce the sale of dealerships when such representations could not be substantiated or documented. For example, Respondents have made representations dealing with the savings and efficiency offered by their systems, number of systems installed, average profit projections, the projected return on investment, the projected payback period, etc. Respondents made other unsubstantiated specific claims such as that they had been approved by the State of New York; that they had installed "over 70,000 successful projects;" and that there were "literally hundreds of EASI Authorized Affiliates" are earning

“handsome profits.” Consumers claim to have been induced into purchasing dealerships by these misrepresentations.

(F) Respondents’ conduct constitutes unfair and deceptive acts or practices.

3. Respondents neither admit nor deny the allegations of Paragraph 2 (A-F).

4. Consumers have complained that the energy savings systems were far more difficult to sell than Respondents represented, and that the support Respondents claimed to provide was not as represented.

5. Upon completion of its investigation, the Division requested that the Attorney General negotiate, and if possible accept, an Assurance of Voluntary Compliance in accordance with the provisions set forth in Tenn. Code Ann. § 47-18-107.

6. The Attorney General entered into negotiations with Respondents and the parties have agreed to, and the Division has approved, the Assurance of Voluntary Compliance filed contemporaneously herewith.

7. In accordance with the provisions of Tenn. Code Ann. § 47-18-107(c), the execution, delivery and filing of the Assurance does not constitute an admission of prior violation of the Act.

8. The Division has jointly agreed to the Assurance of Voluntary Compliance and join in its filing.

PREMISES CONSIDERED, Petitioner prays


1. That this Petition be filed without cost bond pursuant to the provisions of Tenn. Code Ann. §§ 20-13-101 and 47-18-116.

2. That the Assurance of Voluntary Compliance be approved and filed in accordance with the provisions of the Tennessee Consumer Protection Act.

RESPECTFULLY SUBMITTED,



ROBERT E. COOPER, JR.
Attorney General and Reporter
B.P.R. 010934



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